

State Information

Plan–New Hampshire–HB 692 Enacted Effective January 4, 2008

Effective January 4, 2008, HB 692 was enacted by the New Hampshire Legislature. HB 692 removes certain provisions of HB 471, which was passed on September 14, 2007. HB 471 provided that no executive officer of a corporation or member of a limited liability company may be excluded from workers compensation coverage, regardless of title, if such officer or member is actively engaged in on-site work on any construction site in New Hampshire. The new law:

- Amends NH RSA 281-A:18-a to once again allow the exclusion from workers compensation coverage of up to three officers or members of corporations or limited liability companies.
- Amends NH RSA 228:4-b to exclude certain persons from the requirement of providing certification of current workers compensation coverage. The excluded persons are those performing routine maintenance operations conducted utilizing the contract rental agreement process on certain state transportation projects.
- Allows insureds who purchased workers compensation insurance coverage to cancel or remove this coverage to comply with the requirements of RSA 281-A:18-a, I as amended by 2007, 323:1.

In order to comply with the law, the New Hampshire Insurance Department has directed NCCI to distribute the following instructions (which are effective immediately) to the servicing carriers and direct assignment carriers in New Hampshire:

1. Upon receipt of a letter, fax, or e-mail requesting cancellation of an affected policy, the carrier will follow normal cancellation procedures including notification to the New Hampshire Labor Department in compliance with NH RSA 281-A:9..
2. Upon receipt of a letter, fax, or e-mail requesting reinstatement of approved exclusions, the carrier will submit a revised Form 6WCex to the New Hampshire Labor Department.
3. The effective date of the exclusions or cancellation is to be the day following the receipt of any such fax or e-mail, or the day following the US postmark date of any mailed request. A “No-Loss Letter” is not required.
4. The carrier is to use a pro rata methodology for its premium calculations, starting from the effective date of the policy or coverage (no earlier than September 14, 2007) until the day after receipt of notice as described in item (3.) above.
5. Regardless of the estimated payroll used to calculate the premium for inclusion of the executive officer(s) or LLC member(s), the pro rata premium will be calculated using the New Hampshire minimum payroll amounts. The pro rata premium calculations will be done using the New Hampshire minimum payroll amount for officers of a corporation including members of limited liability companies (\$388/week in 2007) or the minimum amount for executive officers of an unincorporated association (\$194/week in 2007), whichever is appropriate.
6. Minimum premium rules are not applicable for prorated policies where the prorated premium falls below the approved minimum premium.
7. Because minimum payrolls will be used, there will be no audit requirements for this limited exposure. Furthermore, in those cases where return premium is due for certain officer(s) or LLC member(s), but the policy is continuing in force, that return premium will be due immediately rather than at policy expiration or audit

In addition, NCCI will be withdrawing New Hampshire Partners, Officers, and Others Exclusion Endorsement (WC 28 03 02) and carriers will now use the countrywide Partners, Officers and Others Exclusion Endorsement (WC 00 03 08) for exclusion of executive officer(s) and LLC member(s).